

FISCAL NOTE

HB 1795 - SB 2018

February 19, 2007

SUMMARY OF BILL: Prohibits any business that holds a license or permit for on-premises consumption of alcohol or beer from selling lottery tickets.

ESTIMATED FISCAL IMPACT:

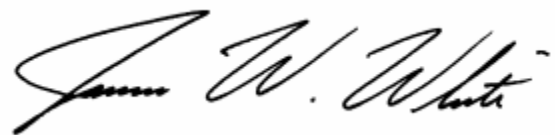
Other Fiscal Impact – Net lottery proceeds are estimated to decrease by approximately \$6,426,000 per year.

Assumptions:

- Approximately 4,700 retailers sell lottery tickets.
- According to the Tennessee Education Lottery Corporation (TELC), their current retailer base includes such locations as restaurants, bars, lounges, bowling alleys, and others that hold permits for on-site consumption of alcoholic beverages. The TELC estimates that \$23.8 million of their net ticket sales are generated from these businesses.
- 73% of net ticket sales are estimated to pay TELC expenses in FY07-08.
- 27% of net ticket sales are estimated as net lottery proceeds in FY07-08.
- The decrease to net lottery proceeds is estimated to be \$6,426,000 per year ($\$23,800,000 \times 27\% = \$6,426,000$).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director